

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

IN RE:)	CHAPTER 11
)	
A-1 EXPRESS DELIVERY SERVICE, INC.,)	CASE NO. 17-52865-pmb
)	
Debtor.)	
)	

DEBTOR'S REPORT OF SALE

COMES NOW A-1 Express Delivery Service, Inc., debtor and debtor-in-possession (the “**Debtor**”) in the above-styled case (the “**Case**”), by and through the undersigned counsel, and pursuant to Fed. R. Bankr. P. 6004(f), hereby makes and files this Report of Sale, showing as follows:

I. BACKGROUND

A. The Bankruptcy Case

1. On February 14, 2017 (the “**Petition Date**”), the Debtor filed a voluntary petition for relief under Chapter 11, Title 11, United States Code (the “**Bankruptcy Code**”). The Debtor is authorized to operate its business as a debtor-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

2. On or about March 13, 2017, an official committee of unsecured creditors (the “**Committee**”) was appointed by the U.S. Trustee (as amended on March 15, 2017). No other statutory committee and no trustee or examiner has been appointed.

B. Sale Motion and Assumption Motion

3. On March 7, 2017, the Debtor filed its Emergency Motion (A) For Authority to Sell Assets Free and Clear of Liens, Claims, and Encumbrances, (B) To Assume and Assign

Certain Executory Contracts, Leases and Licenses and Establish Cure Costs in Connection Therewith, (C) To Establish Procedures with Respect to Such Sale and the Assumption and Assignment of Executory Contracts and Leases, and (D) To Shorten and Limit Notice [Docket No. 53] (the “**Sale Motion**”). In the Sale Motion, the Debtor sought authority to sell substantially all of its assets to Greenwich Logistics, LLC (“**Greenwich**”), pursuant to an Asset Purchase Agreement attached to the Sale Motion as Exhibit A (the “**Agreement**”).¹

4. On March 9, 2017, the Debtor filed its Emergency Motion for Authority to Assume Contracts and Unexpired Leases in Connection with Sale of Assets [Docket No. 60] (the “**Assumption Motion**”). In the Assumption Motion, the Debtor sought authority to assume and assign certain executory contracts and unexpired leases (collectively, the “**Assumed Contracts**”) to Greenwich in connection with the proposed sale.

II. ORDER APPROVING SALES OF SUBSTANTIALLY ALL ASSETS

5. There were no other bidders competing for the purchase of the assets of the Debtor, and a hearing was held on March 16, 2017 (the “**Sale Hearing**”) to consider the Sale Motion, the Assumption Motion and approval of the Agreement.

6. Thereafter, on March 17, 2017, the Court entered its Order Granting Motion to (1) Approve Sale to Greenwich Logistics, LLC of Certain of the Debtor’s Assets Free and Clear of All Liens, Claims, Encumbrances and Other Interests; (2) Authorize Assumption and Assignment of Executory Contracts and Unexpired Leases; (3) Establish Cure Amounts Therefor; and (4) Approve Other Related Relief [Docket No. 80] (the “**Sale Order**”), which approved the Agreement, as supplemented.

¹ A complete listing of the assets proposed to be purchased by Greenwich can be found in Section 1.1 of the Agreement, as supplemented by the Schedules to the Agreement, which supplement was filed on March 14, 2017 [Docket No. 74].

7. Upon the entry of the Sale Order, the Debtor proceeded working towards closing the sale transaction.

III. SALE CLOSING

8. In connection with the sale, on March 21, 2017, the Debtor filed a Stipulation Amending List of Contracts Appended to Emergency Motion for Authority to Assume Contracts and Unexpired Leases to Add Donlen Contracts, as Consensually Modified (the “**Stipulation**”) [Docket No. 85], which added certain contracts to the list of Assumed Contracts, such that the contracts would be assumed by the Debtor and assigned to Greenwich in connection with the closing of the sale of the Debtor’s assets.

9. Pursuant to the Sale Order, on March 23, 2017, the Debtor closed on the sale of substantially all of its assets to Greenwich. In addition, the executory contracts and leases listed in the Assumption Motion, as modified by the Stipulation, were assumed by the Debtor and assigned to Greenwich.

10. The purchase price paid by Greenwich under the Agreement consists of various amounts, including: (a) payment of the outstanding indebtedness to Summit Financial Resources, L.P. (“**Summit**”) in the amount of \$1,300,000.00, as payment in full of all of the Debtor’s indebtedness and obligations owing to Summit; (b) payment to Donlen Corporation (“**Donlen**”) in the amount of \$30,000.00 to satisfy Donlen’s Post-Petition Stub Claim (as such term is defined in the Stipulation; (c) payment to Donlen of \$13,869.35 representing other amounts owed to Donlen for unpaid post-petition obligations; (d) payment of \$50,000.00 to undersigned counsel for the Debtor to be used in accordance with the Agreement to pay the outstanding fees and expenses of counsel for the Debtor, subject to the allowance of such fees and expenses by the Court; (e) payment of \$25,000.00 to undersigned counsel for the Debtor to

be held in escrow and used to pay the U.S. Trustee fees and other court costs that may be incurred between the Petition Date and March 23, 2017 (with the balance, if any, to be returned to Greenwich); (f) assumption of the cure costs associated with the Assumed Contracts, in the approximate amount of \$70,000, to be paid as and when due or as agreed between Greenwich and the relevant counterparties to the Contracts; and (g) assumption of all unpaid administrative expenses incurred in the Case from the Petition Date through and including the Closing, in the approximate amount of \$520,000.00, to be paid in the ordinary course of the Debtor's business as and when due, or as may be otherwise agreed between Greenwich and the holder of any such administrative claim. Accordingly, Greenwich has paid and/or assumed obligations of the Debtor in an amount of no less than \$2,008,869.35 to purchase the Debtor's assets. This number does not take into account various amounts that may differ from the estimates set forth above. In addition, the Debtor anticipates filing a motion in the near future seeking authority to assume additional contracts and assign same to Greenwich, with Greenwich to bear all cure costs (if any) associated with such additional contracts, which would increase the effective purchase price.

This 27th day of March, 2017.

Respectfully submitted,

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Counsel for the Debtor

CERTIFICATE OF SERVICE

This is to certify that on this date, I served a true and correct copy of the within and foregoing Debtor's Report of Sale by causing same to be deposited in the United States Mail with adequate postage affixed thereon and addressed to the following:

Lindsay P.S. Kolba
Office of the United States Trustee
362 Richard Russell Building
75 Ted Turner Drive, SW
Atlanta, GA 30303

Colin M. Bernardino
Kilpatrick Townsend & Stockton LLP
1100 Peachtree Street NE, Suite 2800
Atlanta, Georgia 30309-4528

This 27th day of March, 2017.

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